

Date of Hearing: April 29, 2014

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS

Sharon Quirk-Silva, Chair

AB 2664 (Quirk-Silva) – As Amended: April 1, 2014

SUBJECT: California National Guard

SUMMARY: Establishes a California National Guard Military Family Relief Fund (the New Fund) within the existing California Military Department Support Fund, and transfers money from the California Military Family Relief Fund (the Old Fund) to the New Fund. Specifically, this bill:

- 1) Requires that the California Military Department Support Fund shall include the New Fund a special fund as established within the California Military Department Support Fund.
- 2) Specifies that for accounting and recordkeeping purposes, the California Military Department Support Fund shall be deemed to be a single special fund, and any special funds therein shall constitute and be deemed to be a separate account in the California Military Department Support Fund.
- 3) Mandates that each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.
- 4) Establishes the New Fund as an account within the California Military Department Support Fund for the purpose of providing financial aid grants to members of the California National Guard who are California residents and who have been called to active duty.
- 5) Requires the Military Department to establish eligibility criteria for the grants by January 1, 2015.
- 6) Directs that the grant criteria shall include, but not be limited to, a demonstration of financial need.
- 7) Requires that in addition to grant criteria established by the Military Department members of the California National Guard must show proof of all of the following to be eligible to receive a grant:
  - a) Current membership in the California National Guard.
  - b) Residency in California.
  - c) Deployment to active duty for at least 60 consecutive days.
- 8) Mandates that grants awarded may be used only for food, housing, childcare, utilities, medical services, medical prescriptions, insurance, and vehicle payments.
- 9) Directs that California National Guard members shall not be eligible to receive a grant if the member receives a punitive discharge or an administrative discharge with service characterized as under other than honorable conditions.

- 10) Requires the Adjutant General to conduct annual audits of the California Military Department Support Fund and the New Fund and to report findings to the Department of Finance.
- 11) Transfers on January 1, 2015, any and all moneys remaining in the Old Fund to the New Fund.
- 12) Directs that the moneys transferred shall continue to be disbursed in accordance with the original intent of the contributions made by taxpayers to the Old Fund.

EXISTING LAW: Authorizes the Adjutant General and the Military Department to solicit and accept funds or other donations for deposit in the Old Fund. Money in the Old Fund is available, upon appropriation, for specified purposes relating to the programs of the department.

Former law, repealed by its own provisions, allowed taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Military Family Relief Fund, established to accept contributions from taxpayers and from other sources. Money in that fund, upon appropriation, was required to be allocated to the Military Department to provide financial aid grants to eligible members of the California National Guard. The former law provided that, notwithstanding repeal, any contribution amounts designated prior to repeal would continue to be transferred and disbursed in accordance with those repealed provisions.

The State Treasury's Special Fund 8022, containing approximately \$1.2 million in donations to the Old Fund, will be abolished in January 2015 and the monies will revert to the General Fund.

FISCAL EFFECT: Unknown at this time.

COMMENTS: Rather than revert to the General Fund, this bill extends the time for disbursement of relief funds to National Guard families in crisis arising out of active duty service. Though deployments are generally decreasing, National Guard members are still called to active duty for overseas deployment and for other purposes. Unfortunately these periods of active duty too often result in a net income loss to the Guard member's family. In short, there is still a need for the money in the Old Fund. Finally, the continued availability of this relief money, with the eligibility criteria specified, is in accord with the donors' intent, as opposed to reversion of the funds to the General Fund.

REGISTERED SUPPORT / OPPOSITION:

Support

None.

Opposition

None.

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